

Capital Accounting Center

***HELPFUL HINTS GUIDE***

for

Obligating, Reconciling and Approving

Intra-governmental Payment and Collection (IPAC) Activity

December 2003

## **DESCRIPTION OF IPAC SYSTEM/PROCESS**

The IPAC system is used by Federal agencies, in lieu of an invoice, to electronically bill for the services and/or goods they provide to another Federal agency. The servicing agency receives immediate reimbursement when these transactions are processed through the U. S. Department of Treasury. Unlike the process for invoices where the payment is not made until approval is provided by the DOE program official, the servicing agency receives payment when the bill is transmitted via the IPAC system. In other words, DOE's appropriations have already been charged by the time DOE receives the IPAC billing. On a monthly basis, DOE is responsible for reconciling their accounting records to Treasury's balances.

The Accounts Payable Division (APD) provides the respective DOE program office a copy of the IPAC transaction and any supporting documentation that is received from the servicing agency. APD then waits for the designated approving official to submit the B&R allocation breakdown so that costs and payments can be applied to the appropriate funding resource. In the meantime, DOE's accounting records have to be reconciled to the DOE account balances maintained by Treasury at the end of each month. In order to complete this monthly reconciliation process, APD records unapproved IPACs into a *temporary* receivables suspense account.

Items recorded in this temporary account must be cleared within 30 days after receipt of the IPAC. When there are unusual problems, this timeframe may be extended up to 60 days. Several problems can emerge if cost/payment allocations are not recorded to the appropriate funding resource in a timely manner: (1) another funding resource within the Department is adversely affected because the disbursement has to be posted to DOE's accounting records upon receipt of the IPAC whether the designated approving official provides an approval or not, (2) large uncosted/unpaid obligation balances are reflected for your program funds, and (3) as reported by the Office of the Inspector General (OIG), such practices make the Department vulnerable to violations of the Anti-Deficiency Act.

## **PROGRAM OFFICE FINANCIAL MANAGEMENT RESPONSIBILITIES**

1. Ensure funds are reserved in DISCAS (DOE's accounting system) once a need to procure goods or services is identified
2. Set up agreements with other Federal agencies that detail the services that you are requesting (work through the Office of Procurement and Assistance Management as appropriate):
  - a. Cite billing instructions in the agreements that instruct the servicing agency to include the following information in their IPAC billing:
    - DOE Contract Identification Number (CID)
    - DOE task order numbers when applicable
    - DOE Program Office Point of Contact (POC) and Telephone Number

- Instruct the servicing agency to submit backup documentation to DOE Program Office POC
- 3. Prepare obligation document with DOE Contract Identification Number
- 4. Ensure obligation document is approved prior to entering into the agreement with the other Federal agency
- 5. Ensure funds are obligated in DISCAS
- 6. Monitor and accept work that is performed by the servicing agency or; in the case of goods, receive, inspect and accept deliveries
- 7. If a breakdown is needed before the charges/credits can be applied, receive IPAC billing from APD. (The APD will provide to the Program Resource Manager a monthly report that details the charges/credits applied to program funds)
- 8. Contact servicing agency immediately if you have not received adequate support or if you have questions concerning the billing**
- 9. Review and reconcile the IPAC billing to receiving reports and support documentation
- 10. Ensure that servicing agency is billing and submitting support documentation timely and accurately
- 11. Determine how the total amount billed should be allocated by B&R
- 12. Verify sufficient funds have been obligated to cover the cost of the bill; If no, initiate immediate action to obligate the necessary funds prior to forwarding approval to APD

**13. Submit cost/payment allocation breakdown and approval to  
APD no later than 30 calendar days after receipt of the IPAC billing:**

**Accounts Payable Division, ME-144  
C-227, GTN  
Attention: Sandy Iseman  
Fax: 1-866-653-0041  
E-mail: [sandy.iseemann@hq.doe.gov](mailto:sandy.iseemann@hq.doe.gov)**

14. Provide support documentation to field offices for the charges that are allocated to other DOE field offices and respond to their questions
15. Ensure authorized approving official has a current Travel Authorization and Program Manager Signature card (HQ F 1500.5) on file with ME-14. Blank forms are available at:

<http://www.directives.doe.gov/pdfs/forms/hq1500-5.pdf>

ME-14 POC for signature cards:

Laura Gurganus  
Systems Operations/Financial Support Services Team, ME-142  
C-277, GTN  
1-800-877-8339 for relay, then extension 3-8826  
[laura.gurganus@hq.doe.gov](mailto:laura.gurganus@hq.doe.gov)

### ***DISPUTED CHARGES/CREDITS***

16. Resolve disputed billings with servicing agency immediately, but no later than 30 calendar days after receipt of the IPAC billing

**Note: For some GSA contracts, specific instructions may be included in the interagency agreement that detail how disputes are to be handled**

17. Submit rejection notices to APD no later than 30 calendar days after receipt of the IPAC billing for any charges or credits you reject; Annotate the reason for the rejection and the person you talked to at the servicing agency on your notice

### **TRAINING OBLIGATIONS**

Training obligations are normally processed into DISCAS via an interface from CHRIS. In order for obligations to successfully pass through the interface, the record state of the transaction in CHRIS must be "ENROLLED".

### **TRAVEL OBLIGATIONS**

Headquarters organizations frequently pay for field employees to travel on their behalf. However, in many instances, the obligations for this sponsored travel are not processed by the Headquarters sponsoring organization (HSO) in a timely manner. It is vitally important that the HSO prepare a travel authorization in their Travel Manager database to obligate funds prior to the trip start date. If you encounter problems, contact the Travel Manager Hotline at 3-2500. A copy of the authorization showing the data link status should be provided to the traveler.

## **CONSIDER USING LUMP-SUM OBLIGATIONS**

If your program office cannot meet the established timeframes for providing approvals, you may want to consider setting up lump-sum obligations under one CID at the beginning of the fiscal year so that when IPAC billings are received, they can be processed timely. When you have determined the B&R allocation breakdown, then you can submit a memorandum to the Capital Accounting Center requesting that the obligation, cost and payment entries be adjusted and moved to the appropriate CID and B&R.

## **QUESTIONS**

Contact ME-144 if you have any questions concerning this guide:

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